



LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
550 S. VERMONT AVE., LOS ANGELES, CA 90020 [HTTP://DMH.LACOUNTY.GOV](http://DMH.LACOUNTY.GOV)



MARVIN J. SOUTHARD, D.S.W.
Director
ROBIN KAY, Ph.D.
Chief Deputy Director
RODERICK SHANER, M.D.
Medical Director

June 4, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO TERMINATE A BASIC LIVING SUPPORT SERVICES AGREEMENT,
AN ENHANCED EMERGENCY SHELTER PROGRAM AGREEMENT, A MEDI-CAL
PROFESSIONAL SERVICES AGREEMENT, AND A MENTAL HEALTH SERVICES
ACT MASTER AGREEMENT WITH ATLANTIC RECOVERY SERVICES, INC.
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to terminate, for default, a Mental Health Services Act (MHSA) Master Agreement, a Medi-Cal Professional Services Agreement, a Basic Living Support Services Agreement, and an Enhanced Emergency Shelter Program (EESP) Agreement with Atlantic Recovery Services, Inc. The termination of each contract will be effective the date of approval by your Board.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of the Department of Mental Health (DMH), or his designee, to terminate, for default, DMH MHSA Master Agreement No. MH200146, DMH Medi-Cal Professional Services Agreement No. MH9001, DMH Basic Living Support Services Agreement No. MH040081, and DMH EESP Agreement No. MH190098 with Atlantic Recovery Services, Inc. effective the date of approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval of the recommended actions will allow DMH to terminate four agreements with Atlantic Recovery Services, Inc. in accordance with the terms of the agreements. All four agreements may be terminated, by default, at any time by giving prior written notice to the other party.

Implementation of Strategic Plan Goals

The recommended Board actions support the County's Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

There is no fiscal impact as a result of terminating these four agreements. DMH Medi-Cal Professional Services Agreement No. MH9001, DMH Basic Living Support Services Agreement No. MH040081, and DMH EESP Agreement No. MH190098 are paid at established rates, on a referral basis and/or as an "as needed basis." DMH MHSA Master Agreement No. MH200146 does not have allocated funding as this Agreement serves only to identify potentially qualified contractors for DMH contract solicitations.

There are no pending charges attached to either agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 12, 2013, the County of Los Angeles Treasurer and Tax Collector (TTC) sent a notification of tax default to Atlantic Recovery Services, Inc. located at 944 Pacific Avenue, Long Beach, CA 90813. The notification states that a review of the agency's tax records indicates that they have outstanding defaulted property taxes totaling \$1,330.89.

DMH was sent a copy of the TTC notification for our records. Upon receipt of this notice, DMH confirmed that while Atlantic Recovery has four current contracts with DMH, they have not been providing any services under these contracts. Additionally, DMH confirmed that all clients served through the current DMH contracts with Atlantic Recovery Services, Inc. had been relocated to other facilities well before the TTC notice was issued.

On December 18, 2013, DMH sent another notification via Federal Express (FedEx) to Atlantic Recovery Services, Inc. requesting verification that they have paid their outstanding defaulted property taxes and that they are in compliance with County Ordinance No. 2009-0026, the Defaulted Property Tax Reduction Program.

On Friday, January 3, 2014, DMH staff visited the last known offices and found the building empty without any notice of relocation.

After several attempts, DMH has been unable to contact Atlantic Recovery Services, Inc. Phone calls, electronic mail and FedEx notifications remain unanswered and/or returned as undeliverable to the last known address.

County Counsel and the Chief Executive Officer have reviewed and approved the proposed actions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is anticipated that service levels and quality will be maintained so that there will be no negative impact on current services. DMH contracts with other agencies that have adequate capacity and are able to meet our clients' needs going forward.

The Honorable Board of Supervisors
6/4/2014
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mg Southard". The signature is fluid and cursive, with a large, stylized "M" and "S".

MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

MJS:MM:RK:oh

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission